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UNCLAS SECTION 01 OF 04 KATHMANDU 001593

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SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, AUGUST 16-22

REFERENCE: (A) KATHMANDU 1565
(B) KATHMANDU 1557

SUMMARY

1. The Government of Nepal (GON) and the Maoist rebels finally met for a third round of negotiations on August 17 in the southwestern city of Nepalgunj (Ref A). Tensions reportedly were high, as the GON acceded to Maoist demands for a roundtable conference and formation of an interim government, but rejected the demand for a constituent assembly. The Maoist leadership flayed the GON's reform paper as totally unacceptable and as possibly signaling the end of peace talks. The international community lauded the continuation of dialogue and the GON's agenda, while the political parties remained unsatisfied. Ambushes on security forces by insurgents resulted in the deaths of three policemen and nineteen insurgents. Six other security personnel were also injured in clashes, three of which occurred during the third round of negotiations. Maoist contempt for civilians, as well as the ceasefire, continued with the discovery of four bombs on a school playground, allegedly meant for the American Embassy, the abduction of eight people, and threats from a high-level Maoist of strategic attacks throughout the Kathmandu Valley and assassination of security officials. Maoists also implemented new orders banning vehicles from entering the far-western districts of Bahjang and Darchula, which lie on the Indian border. The All Nepal National Independent Student Union-Revolutionary (ANNISU-R), the Maoist affiliated student organization, warned of civil war if demands for constituent assembly were not fulfilled. End Summary.

TENSIONS HIGH AMONG MUCH-AWAITED THIRD ROUND

2. The long awaited third round of peace negotiations was held on August 17 in Nepalgunj, in the lowlands southwest of Kathmandu (Ref A). Chief GON negotiator Dr. Prakash Chandra Lohani, Minister of Finance, and Kamal Thapa, Minister of Information and Communication, met with Maoist negotiators Baburam Bhattarai and Krishna Bahadur Mahara. The GON presented its agenda, touted as a proposal for "forward-looking reforms," that included input from members of civil society, political parties, and human rights activists. Both sides reportedly agreed to a six-point agenda, which included political and social reforms as well as rehabilitation for victims of the insurgency. The GON conceded two key Maoist demands--a roundtable conference and an interim government--but rejected the insurgents' demand for a new constitution, arguing that any problems could be solved "through amendments to the existing constitution." After reaching an impasse, the talks were adjourned on August 19, but Minister Thapa claimed they were "very useful," and "there will be no breakdown in the cease-fire."

3. During the meetings, Chief Maoist negotiator Baburam Bhattarai reportedly threatened to break off the talks after the GON rejected outright the Maoist demand for a constituent assembly. However, the Maoists notably have failed to explain the rationale behind their rejection of GON proposals. (Note: On August 16, prior to the third round, Bhattarai had declared that the Maoists would not accept any proposal for "mere reform" of the current constitution, and ominously warned that any lack of seriousness from the GON would "invite disastrous consequences." End note). Bhattarai also blasted the GON's request to place the issue of surrendering arms on the agenda as "ridiculous." Following the adjournment of the third round, Bhattarai said he doubted the peace talks would be successful unless the GON revised its concept paper.

14. Maoist Supreme leader, Pushpa Kamal Dahal, alias Prachanda, reportedly echoed Bhattarai's foreshadowing of failure in a telephone interview on August 18, declaring that the Maoists will not agree on "anything less than constituent assembly." If the GON's concept paper is final, he warned, then "everybody should know the talks have failed."

INTERNATIONAL COMMUNITY PRAISES GON PROPOSALS

15. Despite Maoist criticisms of the GON's agenda, the international community has praised the concept paper as "a step forward" in finding a peaceful solution to the current crisis. In addition to the USG, the United Kingdom, India and representatives of civil society voiced support for the proposals, calling them progressive and democratic. A press release issued on August 18 by the United Kingdom hailed the GON's concept paper as "a comprehensive position by the Nepalese government," and said it was encouraged that social and economic issues were being addressed. India's ambassador to Nepal welcomed the GON's proposals as a "basis for future understanding" between the two sides.

16. The Rastriya Prajatantra Party (RPP) also voiced support, and the Nepal Teachers' Association issued a statement on August 18 lauding the GON's agenda as "a democratic proposal in every sense." The support and praise of the GON's agenda would appear to put additional pressure on the Maoists to be more compromising, instead of merely concentrating on their own demands.

17. Both the GON and the Maoists have been under pressure to make the peace talks successful. On August 16 in Nepalgunj, a memorandum signed by over thirty organizations and individuals was delivered to both the GON and the Maoists urging success of the talks and warning of the heavy cost to everyday people if they failed. A peace rally was also organized on August 17 by sister organizations of the Maoists to put pressure on both sides. Students, workers and intellectuals affiliated with the Maoist party reportedly all participated in the rally.

LEFTISTS STICK TO OLD MANTRAS

18. Despite apparent widespread support of the GON's concept paper, the Communist Party of Nepal-United Marxist Leninist (CPN-UML) has refused to endorse it, concentrating on its own agenda against monarchical "regression," and promising to continue its anti-government agitation until the "regressive forces are completely uprooted." Madhav Kumar Nepal, general secretary of CPN-UML, said the GON's agenda would not solve the current crisis because it does not address the issues raised by the agitating political parties. He claimed the people would not accept the monarchy and accused the King of trying to destroy democracy. Nepal also issued an unusual challenge to the Maoists, declaring defiantly that if the insurgents truly wanted fundamental change, "they should join our joint movement against regression." A statement issued on August 18 by the United Left Front (ULF) also decried the GON's proposal and said it would not resolve any of Nepal's political problems. Both parties pledged to continue with their movements against the King.

SECURITY FORCES AND MAOISTS CLASH

19. As the third round of peace negotiations got underway in the western part of Nepal, eastern districts saw three violent clashes between security forces and Maoists. On August 17, security forces reportedly were ambushed by a group of armed Maoists in the eastern district of Ramechhap. Security forces returned fire and killed five insurgents. Later that day in the same region, a second clash ensued, resulting in the deaths of twelve more insurgents. In a separate battle, a policeman was killed and three others injured in the northeastern district of Dolakha after Maoists detonated pressure cooker bombs. Two policemen were killed on August 19 in Siraha District, in the southeast, when a large group of insurgents opened fire on them. On that same day in the western district of Salyan, three security personnel were injured in a clash with Maoist cadres, and in the northeastern district of Taplejung, which borders India and China, two Maoists were killed by security forces during a clash. Security forces recovered explosives from the scene. A report released on August 21 by the Informal Sector Service Center (INSEC), a local human rights group, claims that a total of 76 people have been killed in armed clashes since the ceasefire was declared in January.

110. Maoist leaders in the east accused security forces of "barbaric and cowardly murder," but Colonel Deepak Gurung, Royal Nepal Army (RNA) spokesman, questioned the logic behind Maoist ambushes, which he said was "baffling." The

insurgents reportedly are attacking army and police patrols that venture beyond five kilometers of their barracks, which the Maoists claim is a breach of the agreement allegedly reached during the second round of talks.

¶11. Insurgents abducted a policeman on August 21 in Surkhet District; he remains missing. Five policemen abducted last week by insurgents (Ref B) were released on August 15. According to police sources they were released on the condition that Maoist cadres arrested in Khotang are released and security forces stop alleged abuse of villagers in that district. The insurgents threatened "dire consequences" to the freed policemen and their families if their demands were not fulfilled.

MAOISTS' ACTIONS SHOW DISREGARD FOR CIVILIANS

¶12. A vernacular newspaper reported on August 17 that, according to a high-level Maoist, the insurgents are prepared to launch attacks at places within the main cities, including the Kathmandu Valley, if talks fail. Over one thousand insurgents reportedly have been deployed to launch attacks in Bhaktapur, Lalitpur and Kathmandu. The publication also quotes the unnamed source as saying that the insurgents have formed a special task force to carry out high-profile assassinations of senior police and army officials.

¶13. On August 15, members of the RNA defused four bombs found on a playground of an elementary school in Kathmandu. Two days later, a sister organization of the Maoists claimed responsibility for planting the bombs. In a press statement released on August 17, the organization said the bombs were supposed to be planted at the compound of the American Embassy because "the Americans are interfering in the internal affairs" of Nepal, but were mistakenly planted at the school.

¶14. Maoists abducted a total of eight civilians, including a school principal and two CPN-UML party members. The CPN-UML workers were abducted by the insurgents on August 20 from the central district of Dhading. On August 17, four civilians were abducted in Sindhupalchowk, and on August 21, two businessmen were kidnapped in Udayapur. There is no information on the whereabouts of any of the missing.

¶15. Maoists in the far-western districts of Bajhang and Darchula, which lie on the Indian border, have banned vehicles from entering the districts. The insurgents are protesting the alleged arrest of twelve of their cadres.

MAOISTS BECOME LANDLORDS

¶16. Maoists in the districts of Bardia and Kailali, along the western Terai, have seized land belonging to ex-ministers and other government officials. The insurgents, acting as landlords, employ farmers to work on the land, and demand as a levy half of the crops that are produced. The insurgents reportedly also have taken over parts of land owned by local villagers who remain silent out of fear they will lose the rest of their land. Maoists in the eastern district of Siraha also reportedly confiscated land from three landlords and claimed to have distributed it to landless members of lower castes. However, no one has been seen tilling it.

ANNISU-R THREATENS A CIVIL WAR

¶17. On August 16, the All Nepal National Independent Student Union-Revolutionary (ANNISU-R), the Maoist-affiliated student organization, reportedly said that the constituent assembly is the "bottom line" for the Maoists, and warned if the GON failed to agree to the demand, it would "certainly lead the country to further civil war." Himat Sharma, general secretary of ANNISU-R, said that the Maoists had "statutorily given rights to revolt."

MALINOWSKI